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# Financing of the United Nations Missions in Haiti

## Report of the Advisory Committee on Administrative and Budgetary Questions

### Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the financial performance reports of the Secretary-General on the United Nations Mission in Haiti (UNMIH) for the liquidation period from 1 to 31 July 1996 (A/52/833) and on the United Nations Support Mission in Haiti (UNSMIH) for the period from 1 July 1996 to 30 June 1997 (A/52/854). The Advisory Committee also considered the report of the Secretary-General on the revised budget for the maintenance of UNSMIH for the month of July 1997, the maintenance of the United Nations Transition Mission in Haiti (UNTMIH) for the period from 1 August to 30 November 1997 and the liquidation of UNTMIH thereafter (A/52/869). The report of the Secretary-General (A/52/869) also contains the revised budget for the maintenance of the United Nations Civilian Police Mission in Haiti (MIPONUH) for the period from 1 December 1997 to 30 June 1998, as well as the revised budget of MIPONUH for the period from 1 July 1998 to the end of its mandate on 30 November 1998 and for its liquidation from 1 December 1998 to 30 June 1999. During its consideration of the reports, the Committee met with the representatives of the Secretary-General, who provided additional information.

### Financial performance report for the liquidation of the United Nations Mission in Haiti from 1 to 31 July 1996

2. The mandate of UNMIH was terminated on 30 June 1996 by the Security Council in its resolution 1048 (1996) of 29 February 1996. Subsequently, by its resolution 1063 (1996) of 28 June 1996, the Council established UNSMIH with an initial mandate until 30 November 1996. The General Assembly, in its resolution 51/14 of 4 November 1996, appropriated $1,197,100 gross ($1,185,800 net) for the liquidation of the Mission (1 to 31 July 1996).

3. As indicated in paragraph 4 of the report of the Secretary-General of 19 March 1998 (A/52/833); the related expenditures for the liquidation of UNMIH amount to $1,159,000 gross and net, resulting in an unencumbered balance of $38,100 gross ($26,800 net) (see para. 11 below). The Advisory Committee notes that the balance resulted from a lower than anticipated average troop strength, the recording of expenditures for international staff salaries against the UNSMIH accounts and the non-rental of heavy-duty vehicles. The Committee was informed that obligations in the amount of $22,000, included in the expenditures in annex I to the report, have been eliminated since the preparation of the report.

4. The Advisory Committee notes from paragraph 11 of annex II B to the same report that the unutilized balance of

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$31,400 resulted from the fact that salaries for the eight international civilian personnel who remained for the liquidation of the Mission were charged to UNSMIH rather than UNMIH (see para. 11 below). The Committee recalls that all payroll charges for international staff salaries are allotted to the Field Administration and Logistics Division of the Department of Peacekeeping Operations (see A/52/860, para. 16). The Committee regrets that no satisfactory explanation was provided for recording these expenditures in the subsequent period. The Committee has commented on this problem in its general report on peacekeeping (A/52/860).

5. The Advisory Committee welcomes the steps taken to improve the Mission's procurement planning mentioned in paragraph 8 of the report (A/52/833). It notes that in February 1996, UNMIH management circulated a list to requisitioners setting out purchases made in the previous six months, grouped by commodity. This was intended to facilitate long-term planning by consolidating requirements and, as a result, competitive bulk purchases and associated economies of scale were achieved. Similarly, the Committee notes from paragraph 10 of the report that planning procedures were further strengthened with the development and issuance of a draft of the Survey Mission Handbook, which establishes procedures and checklists for use by planning personnel in the future.

6. With respect to the action to be taken by the General Assembly at its fifty-second session on the financing of UNMIH, the Advisory Committee recommends that the Assembly take note of the unencumbered balance of $38,100 gross ($26,800 net) for the period from 1 to 31 July 1996. The Committee will make a recommendation to the Assembly at its fifty-third session on the treatment of the unencumbered balance upon receipt of the final performance report of UNMIH, which is expected to include up-to-date data on expenditures.

## Financial performance report for the United Nations Support Mission in Haiti from 1 July 1996 to 30 June 1997

7. As indicated in paragraph 1 of the report of the Secretary-General of 1 April 1998 (A/52/854), the initial mandate of UNSMIH was subsequently extended by the Security Council in a number of resolutions, including resolution 1086 (1996) of 5 December 1996, extending the mandate of UNSMIH until 31 May 1997. Following a review by the Security Council of the report of the Secretary-General of 24 March 1997 (S/1997/244), the Council further extended the Mission's mandate for the final time until 31 July 1997.

8. As indicated in annex I to the report of the Secretary-General of 1 April 1998 (A/52/854), the General Assembly appropriated the total amount of $56,105,000 gross ($53,708,600 net) for the operation of UNSMIH for the period from 1 July 1996 to 30 June 1997. The related expenditures for the same period amount to $46,988,000 gross ($45,428,900 net), resulting in an unencumbered balance of $9,117,000 gross ($8,279,700 net). As indicated in the report, expenditures include unliquidated obligations amounting to $16,317,600. The Advisory Committee was informed that, as at 30 April 1998, unliquidated obligations amounted to $5,393,000.

9. The unencumbered balance resulted primarily from underexpenditures in civilian personnel costs ($5,887,700) owing to delays in the deployment of civilian police officers and international staff, premises/accommodations ($501,000), transport, air and naval operations ($1,834,400), communications ($130,600) and supplies and services ($3,473,600). The unutilized balances were partially offset by additional requirements arising primarily from the conclusion of agreements with troop contributors for the provision of contingent-owned equipment, supplies and services under the wet-lease and self-sustainment arrangements ($3,671,700) (see A/52/854, para. 5 and annex I). Upon request, the Advisory Committee was provided with the rough estimates of possible savings of up to $2.8 million in various budget lines as a result of the implementation of wet-lease arrangements for contingent-owned equipment (see annex to the present report). It is the intention of the Committee to revert to this matter when it examines the various reports on contingent-owned equipment that are forthcoming.

10. The Advisory Committee recalls its views, as indicated in paragraphs 19 to 22 of its report on peacekeeping operations (A/52/860), on the subject of problems relating to the format, quality and content of performance reports. These are to a large extent applicable to the case of UNSMIH. For example, the report focuses too much on statistical compilation of accounting information, with limited information on the problems encountered by the Mission. Furthermore, the annexes to the report do not provide unit cost ratios that would permit an analysis of the efficiency of expenditures as related to the original budget estimates.

11. As shown in annex I to the report on peacekeeping operations (A/52/860), the review of the performance report of UNSMIH revealed that the initial budget to which it

related was overestimated. Taking into account the fact that obligations of $383,003, which pertained to UNMIH for the period ending 30 June 1996, were recorded in the UNSMIH accounts for the period from 1 July 1996 to 30 June 1997, the overestimation as a percentage of initial budget proposals was 16.6 per cent. As shown in table 1 of the same report, as at 31 March 1998, the unliquidated obligations remaining amount to $212,400. Upon request, the Advisory Committee was informed that, in addition, the amount of $620,000 relating to the repatriation in July 1996 of an UNMIH contingent was charged to the UNSMIH budget. The Committee points out that, had it been recorded properly, there would have been a shortfall rather than an underexpenditure for the period ending 30 June 1996. In the opinion of the Committee, while efforts to achieve savings should certainly be encouraged, the presentation of inflated estimates indicates that improvement needs to be made in a number of aspects of budget formulation.

12. With respect to the action to be taken by the General Assembly at its fifty-second session in connection with the financing of UNSMIH, the Advisory Committee recommends that the unencumbered balance of $9,117,000 gross ($8,279,700 net) for the period from 1 July 1996 to 30 June 1997 be credited to Member States in a manner to be determined by the Assembly.

## Revised cost estimates for the period from 1 July 1997 to 30 June 1998 for the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

13. The Advisory Committee recalls that for the reasons indicated in the annex to its report of 5 March 1998 (A/52/818), it had concluded that there was no basis for it to report to the Fifth Committee on the budget estimates contained in the report of the Secretary-General of 20 February 1998 (A/52/798) for the periods from 1 July 1997 to 30 June 1998 and 1 July 1998 to 30 June 1999 for the peacekeeping operations in Haiti. The Committee requested that revised estimates be prepared for 1997-1998 and 1998-1999 based on accurate data. The Committee further requested that the report should be simplified and all amendments and corrections should be incorporated into the new document.

14. The Advisory Committee notes from paragraphs 9 and 10 of the report of the Secretary-General of 9 April 1998 (A/52/869) that the cost of maintaining UNSMIH, UNTMIH and MIPONUH for the 12-month period from 1 July 1997 to 30 June 1998 has been revised from $34,334,400 gross ($31,963,900 net) proposed in document A/52/798 to $30,318,800 gross ($29,080,800 net), a decrease of $4,015,600 gross or 11.7 per cent ($2,883,100 net). The cost estimates proposed in document A/52/798 and the revised estimates contained in document A/52/869 both include budgeted voluntary contributions in kind totalling $1,999,900.

15. As indicated in paragraph 11 of the report (A/52/869), some 30 per cent of the proposed amounts is based on standard ratios and costs contained in the Standard Ratio/Cost Manual. The remaining 70 per cent covers mission-specific requirements and other items that vary from the standards.

16. Upon request, the Advisory Committee was informed that total contributions to the Trust Fund for the Enhancement of UNSMIH Capacity and the Trust Fund for the Enhancement of UNTMIH Capacity amount to $41,181,602. Expenditures amount to $37,001,246, resulting in an unencumbered balance of $4,180,356.

17. With regard to the latest cash position of the peacekeeping operations in Haiti, the Advisory Committee was informed that, as at 11 May 1998, $93.2 million was the position with respect to UNMIH and $10.0 million with respect to UNSMIH. Furthermore, as at 30 April 1998, unpaid assessments amounted to $6,064,109 for UNMIH and $7,499,711 for UNSMIH.

18. As to the number of claims pending and paid in relation to contingent-owned equipment, the Advisory Committee was informed that for UNMIH the estimated amount due is $10,008,290 and for UNSMIH $2,564,635.

19. With respect to the action to be taken by the General Assembly at its fifty-second session in connection with the financing of UNSMIH, UNTMIH and MIPONUH, the Advisory Committee recommends the appropriation and assessment of $13,227,900 gross ($12,602,500 net), inclusive of the amount of $9,237,300 gross ($8,805,800 net), for the period from 1 July 1997 to 30 June 1998, authorized by the Committee under the terms of Assembly resolution 49/233 of 23 December 1994. As indicated in paragraph 17 of the report of the Secretary-General of 9 April 1998 (A/52/869), this appropriation is in addition to the amount of $15,091,000 gross ($14,478,400 net) already appropriated and assessed under Assembly resolution 51/15 B of 13 June 1997, inclusive of the amount of $561,000 for the support account for peacekeeping operations.

## Revised cost estimates for the United Nations Civilian Police Mission in Haiti for the period from 1 July 1998 to 30 June 1999

20. As indicated in paragraphs 13 and 14 of document A/52/869, for the maintenance of MIPONUH for the period from 1 July to 30 November 1998 and the liquidation of the Mission for the period from 1 December 1998 to 30 June 1999, the cost estimates proposed in document A/52/798 amounted to $19,428,800 gross ($18,600,500 net), as compared to the revised estimates of $18,524,800 gross ($17,779,200 net) contained in document A/52/869, or a decrease of $904,000 gross ($821,300 net). The cost estimates proposed in document A/52/798 and the revised estimates contained in document A/52/869 both include budgeted voluntary contributions in kind totalling $1,714,200.

21. For the period from 1 July 1998 to 30 June 1999, the Committee recommends, taking into account its observations in paragraph 23 of its report on peacekeeping operations (A/52/860), a reduction of 5 per cent in the proposed appropriation and assessment for MIPONUH, resulting in the amount of $15,970,070 gross ($15,261,750 net). As recommended in its report on the financing of the United Nations Logistics Base at Brindisi (A/52/897), this amount would be inclusive of the pro rata share of MIPONUH of the costs of the United Nations Logistics Base for 1998-1999.

# Annex

## Implementation of wet-lease arrangements for contingent-owned equipment

1. As a result of the implementation of the wet-lease arrangements for the reimbursement of contingent-owned equipment, requirements under the contingent-owned equipment budget line increased and requirements under other budget line items decreased. Provided below are rough estimates of the possible savings in UNSMIH that were attributable to the implementation of the wet-lease arrangements. In this connection, it should be noted that there has not been ample time to perform full reviews of the savings listed below.

### International and local staff

2. On a post-facto basis, it is estimated that nine international posts in the area of logistic support were blocked as a result of the implementation of the new arrangements for contingent-owned equipment, resulting in savings of approximately $991,000.

### Transport

*Spare parts, repairs and maintenance*

3. Provision was made in the budget for 147 military pattern vehicles at an average monthly cost of $330 per vehicle, resulting in savings of $582,100 for the purpose of vehicle spare parts. Additional savings in respect of civilian pattern vehicles are estimated at $100,000.

### Contractual services

4. It has been estimated that there should be savings of approximately $1.6 million under contractual services against contingent support previously provided by Brown & Root and Serv.Air.

### Communications spare parts

5. The total savings of $66,400 was incurred as a result of the wet-lease arrangements.

### Other equipment, spare parts

6. The total savings of $23,900 was incurred as a result of the wet-lease arrangements.

### Quartermaster and general stores

7. The total savings of $53,100 was incurred as a result of the wet-lease arrangements.